

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Barnstable County Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: August 22, 2016

This Commission is hereby furnishing you with approval of the funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made in equal installments on July 1 and December 31 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

This schedule reflects a reduction in the investment return assumption from 7.75% to 7.625%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenza, at (617) 666-4446, extension 921.

Enc.



SECTION 2: Valuation Results for the Barnstable County Retirement System

CHART 16

Funding Schedule – Fully Funded by 2036 with uniform increases in the appropriation of 5.28% through 2035 and a smaller final payment

| (1) Fiscal Year Ended June 30, | (2) Employer Normal Cost | (3) Amortization of ERI (2002) Liability | (4) Amortization of ERI (2003) Liability | (5) Amortization of ERI (2010) Liability | (6) Amortization of Remaining Liability | (7) Plan Cost Without Retired County Sheriff Liability: (2)+(3)+(4) +(5)+(6) | (8) Amortization of Retired County Sheriff Liability | (9) Total Appropriation: (7)+(8) | (10) Total UAL at Beginning of Fiscal Year | (11) Increase Over Prior Appropriation |
|---|--------------------------------|---|---|---|--|---|--|---|---|---|
| 2017 | \$14,756,545 | \$426,336 | \$200,586 | \$262,965 | \$40,295,785 | \$55,942,217 | \$1,359,250 | \$57,301,467 | \$677,424,379 | -- |
| 2018 | 15,335,551 | 443,389 | 208,610 | 262,965 | 42,645,451 | 58,895,966 | 1,431,018 | 60,326,984 | 692,774,127 | 5.28% |
| 2019 | 15,937,107 | 461,125 | 216,954 | 262,965 | 45,127,522 | 62,005,673 | 1,506,576 | 63,512,249 | 705,746,451 | 5.28% |
| 2020 | 16,562,087 | 479,570 | 225,632 | 262,965 | 47,749,319 | 65,279,573 | 1,586,123 | 66,865,696 | 716,157,762 | 5.28% |
| 2021 | 17,211,398 | 498,752 | 234,658 | 262,965 | 50,518,561 | 68,726,334 | 1,669,871 | 70,396,205 | 723,783,325 | 5.28% |
| 2022 | 17,885,979 | 518,702 | 244,044 | 262,966 | 53,443,393 | 72,355,084 | 1,758,040 | 74,113,124 | 728,355,634 | 5.28% |
| 2023 | 18,586,810 | 539,451 | 253,806 | -- | 56,795,366 | 76,175,433 | 1,850,864 | 78,026,297 | 729,563,344 | 5.28% |
| 2024 | 19,314,903 | 561,029 | 263,958 | -- | 60,057,606 | 80,197,496 | 1,948,590 | 82,146,086 | 727,049,896 | 5.28% |
| 2025 | 20,071,316 | 583,470 | 274,516 | -- | 63,502,621 | 84,431,923 | 2,051,476 | 86,483,399 | 720,410,872 | 5.28% |
| 2026 | 20,857,141 | 606,808 | 285,497 | -- | 67,146,321 | 88,895,767 | 2,153,956 | 91,049,723 | 709,191,347 | 5.28% |
| 2027 | 21,673,515 | 631,081 | 296,917 | -- | 71,015,521 | 93,617,034 | 2,240,114 | 95,857,148 | 692,883,087 | 5.28% |
| 2028 | 22,521,621 | 656,324 | 308,793 | -- | 75,101,948 | 98,588,686 | 2,329,719 | 100,918,405 | 642,677,399 | 5.28% |
| 2029 | 23,402,682 | 682,577 | 321,145 | -- | 79,417,586 | 103,823,990 | 2,422,907 | 106,246,897 | 608,842,879 | 5.28% |
| 2030 | 24,317,973 | 709,880 | 333,991 | -- | 83,975,065 | 109,336,909 | 2,519,824 | 111,856,733 | 567,729,059 | 5.28% |
| 2031 | 25,268,815 | 738,275 | 347,351 | -- | 88,787,712 | 115,142,153 | 2,620,616 | 117,762,769 | 518,519,777 | 5.28% |
| 2032 | 26,256,582 | 767,806 | 361,245 | -- | 93,869,569 | 121,255,202 | 2,725,441 | 123,980,643 | 460,322,337 | 5.28% |
| 2033 | 27,282,698 | 798,519 | 375,694 | -- | 99,235,451 | 127,692,362 | 2,834,459 | 130,526,821 | 392,160,903 | 5.28% |
| 2034 | 28,348,645 | 830,459 | 390,722 | -- | 104,900,974 | 134,470,800 | 2,947,837 | 137,418,637 | 312,969,335 | 5.28% |
| 2035 | 29,455,959 | 863,678 | 406,351 | -- | 110,882,603 | 141,608,591 | 3,065,750 | 144,674,341 | 221,583,453 | 5.28% |
| 2036 | 30,606,236 | 898,228 | 422,604 | -- | 114,387,712 | 146,314,780 | 3,188,380 | 149,503,160 | 116,732,645 | 3.34% |
| 2037 | 31,801,135 | -- | -- | -- | -- | 31,801,135 | -- | 31,801,135 | -- | -78.73% |
| 2038 | 33,042,376 | -- | -- | -- | -- | 33,042,376 | -- | 33,042,376 | -- | 3.90% |

Notes: Recommended contributions are assumed to be paid on July 1 and December 31.

Item (2) reflects 3.5% growth in payroll and 0.15% adjustment to total normal cost to reflect the effects of mortality improvement due to the generational mortality assumption.

Projected normal cost does not reflect the future impact of pension reform for future hires.

2002 and 2003 ERI amortization payments calculated to increase 4.0% per year and 2010 ERI amortizations are level.

Reflects deferred investment losses.

The Retiree Sheriff 2002 ERI payment is included in item (8).

July 1, 2016 unfunded accrued liability reflects the increase in the COLA base effective July 1, 2016 and July 1, 2017.